



Northeast Minnesota Planning Region

Covering the following counties:

Aitkin, Carlton, Cook, Itasca,
Koochiching, Lake and St. Louis

2020 REGIONAL PROFILE

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DEMOGRAPHICS

POPULATION CHANGE

Northeast Minnesota, also known as the Arrowhead region or Economic Development Region 3, includes a total of 7 counties. According to population data from the [U.S. Census Bureau](#), Northeast Minnesota was home to 324,290 people in 2019, accounting for 5.8% of the state's total population. Despite its large geographic size, the Northeast Minnesota planning region is the least populated of the six planning regions in the state and has lost population since 2010 with a decrease of 1,935 people. Meanwhile, the state of Minnesota has grown by 6.3% with an increase of 335,707 people (Table 1).

	2010 Population	2019 Estimates	2010-2019 Change	
			Number	Percent
Northeast Minnesota	326,225	324,290	-1,935	-0.6%
Aitkin Co.	16,202	15,886	-316	-2.0%
Carlton Co.	35,386	35,871	+485	+1.4%
Cook Co.	5,176	5,463	+287	+5.5%
Itasca Co.	45,058	45,130	+72	+0.2%
Koochiching Co.	13,311	12,229	-1,082	-8.1%
Lake Co.	10,866	10,641	-225	-2.1%
St. Louis Co.	200,226	199,070	-1,156	-0.6%
State of Minnesota	5,303,925	5,639,632	+335,707	+6.3%

Source: [U.S. Census Bureau, Population Estimates](#)

Four of the 7 counties in the region lost population from 2010 to 2019 with Koochiching County losing 1,082 people, an 8.1% decline, making it the 3rd fastest declining county (of 87) in the state. Lake and Aitkin Counties both lost about 2.0% of their populations in the past decade while St. Louis County decreased in population by 1,156 people. Carlton County gained 485 people since 2010, a 1.4% increase, and Cook County increased its population by 5.5 percent, the 19th fastest growing county in the state (Table 1).

COMPONENTS OF POPULATION CHANGE

The recent population decrease in Northeast was fueled primarily by a natural decrease – more deaths than births – of 2,911 people from 2010 to 2019. These decreases were supplemented by domestic migration loss during that time, when 397 more people moved out of the region than in. However, the population decrease would have been even greater if not for a gain of 1,684 new foreign-born immigrants to the region since 2010 (Table 2).

With the in-migration, Northeast Minnesota was home to 7,020 foreign born residents, or 2.2% of the total population. The

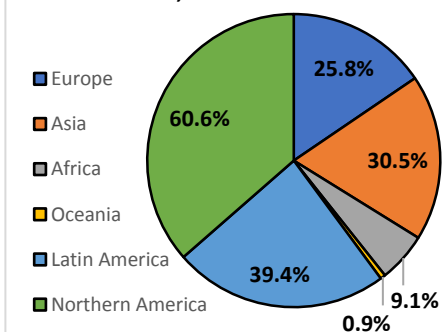
	Total Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	Inter- national	Domestic
Northeast	-1,927	-2,911	29,637	32,548	+1,287	+1,684	-397
Minnesota	+335,705	+250,488	637,356	386,868	+88,161	+114,414	-26,253

Source: [U.S. Census Bureau, Population Estimates Program](#)

largest number of immigrants in the region came from Canada, Latin America, Asia, and Europe (Figure 1). However, the fastest increase in immigrants came from Africa or Oceania. Both groups more than doubled since 2010.

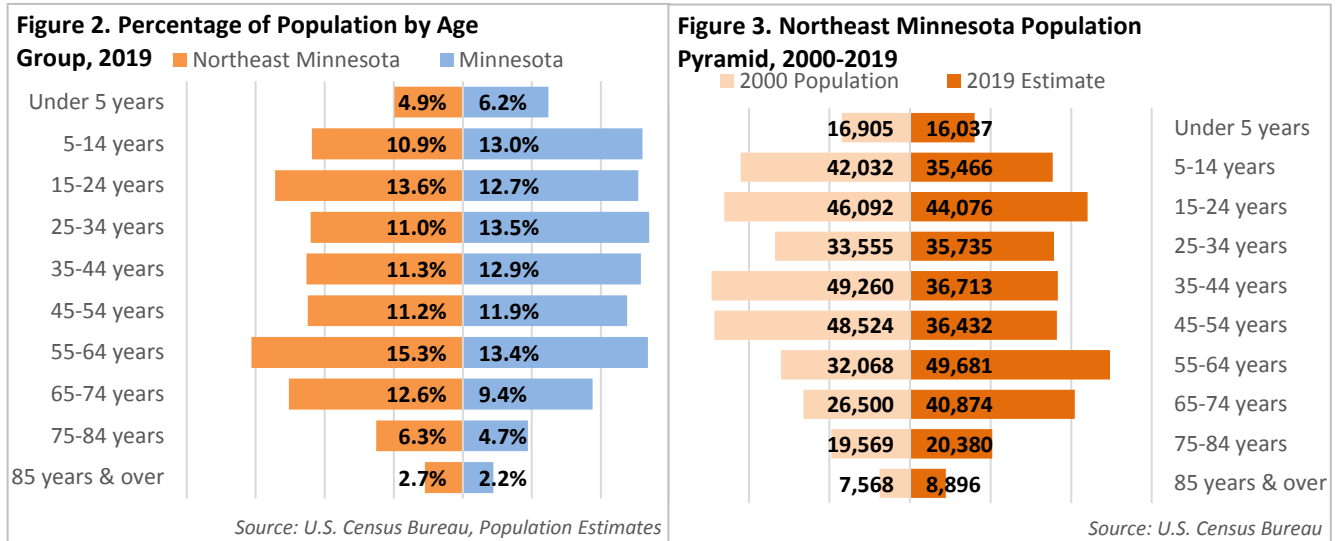
Based on year of entry, Northeast Minnesota's foreign born population was "older" than the rest of the state. About 36% of the region's immigrants entered the U.S. before 1990, compared to just 21.6% statewide. However, the region also had a slightly larger percentage of Foreign-born residents who entered 2010 or later than the state. Foreign-born residents, in general, have a younger age profile than the native born population, with 45.3% being between 25 and 54 years of age, compared to 34.8% of the total population. While a higher percentage of foreign-born residents had a bachelor's degree or higher than native born residents, immigrants were also more than twice as likely to have less than a high school diploma.

Figure 1. Place of Birth for the Foreign Born Population in Northeast MN, 2018



POPULATION BY AGE GROUP

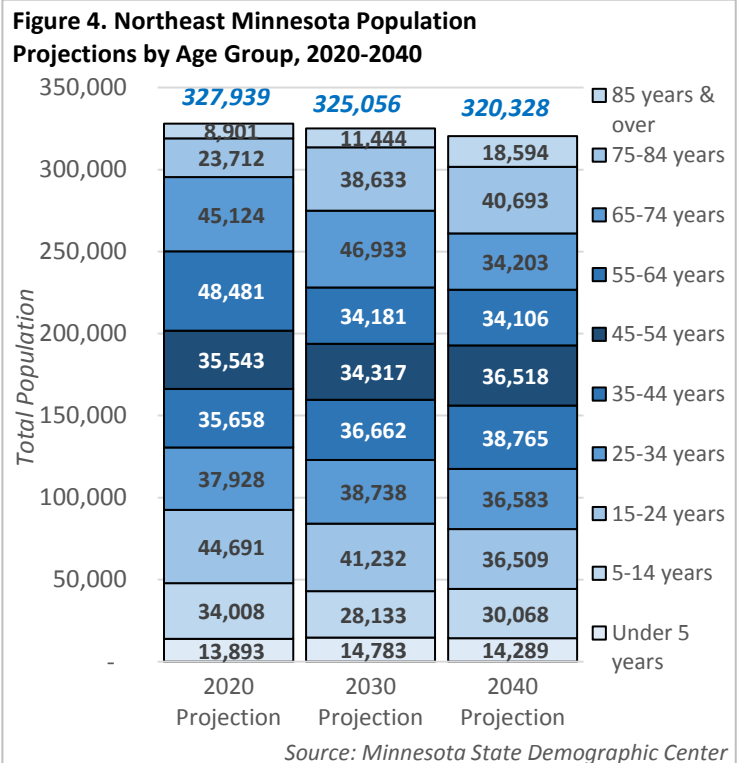
Northeast Minnesota has a much older population than the rest of the state, with 21.6% of residents aged 65 years and over, compared to 16.3% statewide. Consequently, the Arrowhead had a lower percentage of people in the 25- to 54-year-old age group, typically considered the “prime working years,” as well as a smaller percent of school-aged children. However, having several postsecondary institutions in the region led to a higher percentage of people aged 15 to 24. A large portion of the region’s population is a part of the Baby Boom generation, people born between 1946 and 1964, which is creating a significant shift in the population over time. While the number of younger and middle-aged residents was stagnant or declining, the number of residents aged 55 years and over was rapidly increasing (Figures 2 and 3).



POPULATION PROJECTIONS BY AGE GROUP

Northeast Minnesota is projected have relative population stability in the next two decades. According to population projections from the [State Demographic Center](#), Northeast Minnesota is expected to lose just over 7,600 residents from 2020 to 2040, a -2.3% decline (Figure 4). In comparison, the state of Minnesota is projected to grow 8.8% from 2020 to 2040, closing in on 6.2 million residents.

However, the Arrowhead is expected to add nearly 26,700 people aged 75 years and over, an 82% jump. The region is also projected to see a small gain in the 35- to 54-year-old age group, as well as a corresponding bump in children under 5. In contrast, the region is expected to lose school-aged children and young adults, as well as people from 55 to 74 years as the current Baby Boom generation moves through the population pyramid.



POPULATION BY RACE

Northeast Minnesota's population is less diverse than the state's, but is becoming more diverse over time. In 2018, about 92.2% of the region's residents reported White alone as their race, compared to 83.3% of residents statewide. The region had much smaller percentages of Black or African American

residents, Asian or Other Pacific Islanders, and people of Hispanic or Latino origin. However at 2.7 percent, Northeast Minnesota had a higher percentage of people reporting as American Indian or Alaska Native than the state, and a similar percentage of people of Two or More Races (Table 3).

Table 3. Race and Hispanic Origin, 2018	Northeast Minnesota			Minnesota	
	Number	Percent	Change from 2000-2018	Percent	Change from 2000-2018
Total	325,181	100.0%	+1.0%	100.0%	+12.4%
White	299,950	92.2%	-1.6%	83.3%	+4.7%
Black or African American	4,093	1.3%	+88.5%	6.2%	+99.3%
American Indian & Alaska Native	8,633	2.7%	+3.5%	1.1%	+7.3%
Asian & Other Pac. Islander	2,787	0.9%	+60.3%	4.8%	+83.8%
Some Other Race	969	0.3%	+48.4%	1.8%	+48.7%
Two or More Races	8,749	2.7%	+105.4%	2.9%	+90.7%
Hispanic or Latino origin	5,084	1.6%	+111.7%	5.3%	+104.2%

Source: U.S. Census Bureau, 2014-2018 American Community Survey

Cook County had the most diverse populace in the region, with 86.9% of residents reporting White alone as their race, while 8.7% of residents reported being American Indian or Alaska Native. In contrast, Aitkin and Lake Counties had more than 94.8 and 96.6% of their population reporting their race as White alone, respectively.

EDUCATIONAL ATTAINMENT

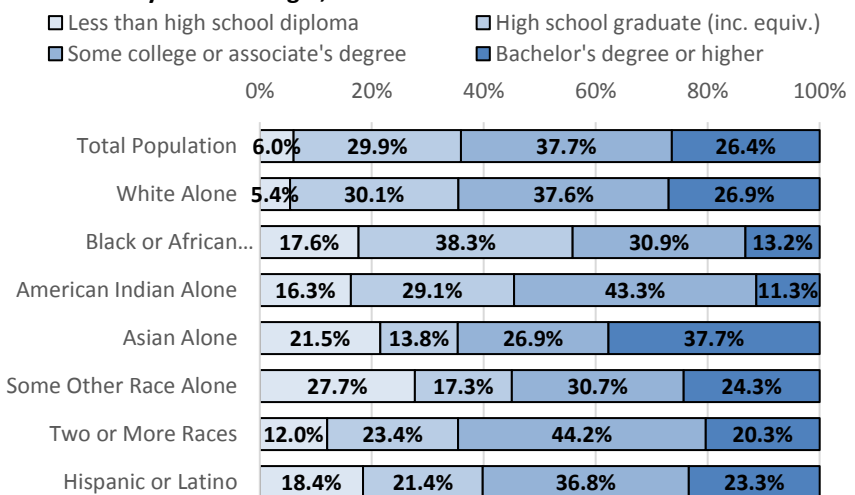
With 36.7% of adults aged 18 years and over holding a college degree, Northeast Minnesota had lower educational attainment than the state in 2018, where 43.6% of adults have an associate, bachelor's, or advanced degree. In contrast, the region had a higher percentage of people with some college but no degree, and a high school diploma or less. Regional education attainment only exceeded the state in associate's degrees (Table 4).

Table 4. Educational Attainment for the Adult Population, 2018	Northeast MN		Minnesota
	Number	Percent	Percent
Total, 18 years & over	261,526	100.0%	100.0%
Less than high school	17,222	6.6%	7.6%
High school grad. (incl. equiv.)	76,675	29.3%	25.3%
Some college, no degree	71,750	27.4%	23.4%
Associate's degree	32,523	12.4%	10.8%
Bachelor's degree	43,561	16.7%	22.1%
Advanced degree	19,795	7.6%	10.7%

Source: U.S. Census Bureau, 2014-2018 American Community Survey

Educational attainment varies significantly by race and ethnicity in Northeast Minnesota. Under 19% of Asian, Black or African American, American Indian, and Hispanic or Latino residents had less than a high school diploma, compared to just 5.4% of White residents. However, over 43% of American Indians and people of Two or More Races have attended some college or earned an associate's degree, and 37.7% of Asian residents had a bachelor's degree or higher, which was greater than the White population (Figure 5).

Figure 5. Educational Attainment for the population aged 25 years & over by Race or Origin, 2018



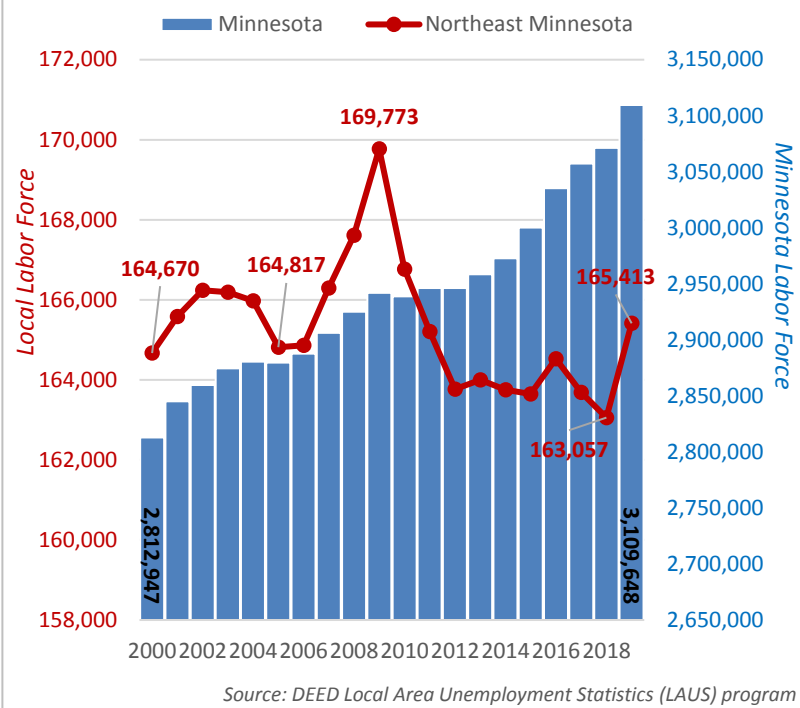
Source: 2014-2018 American Community Survey

LABOR FORCE

LABOR FORCE CHANGE

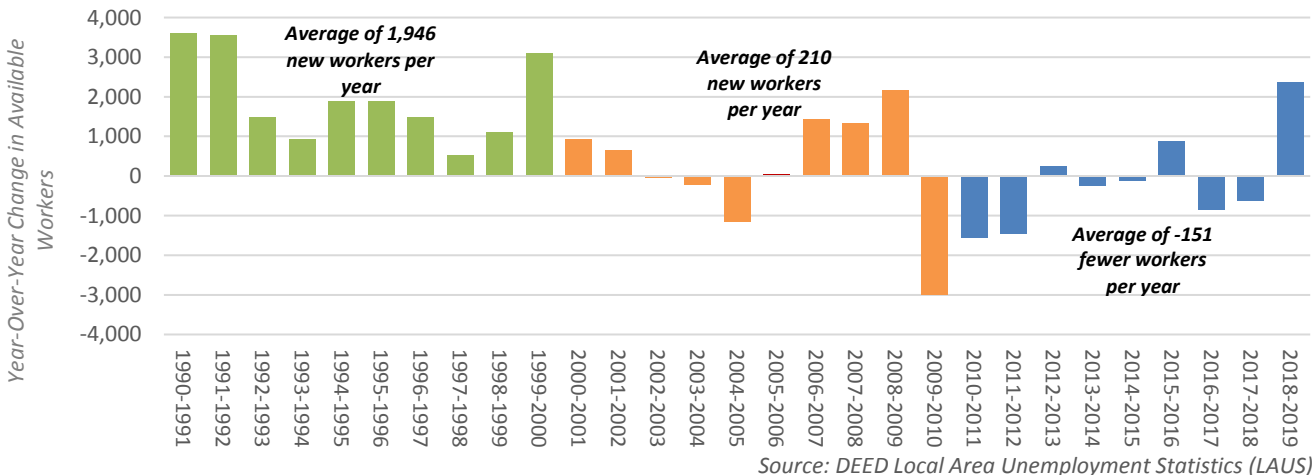
According to data from DEED's [Local Area Unemployment Statistics](#) program, Northeast had 165,413 workers in 2019. In the depths of the recession in 2009, the region's labor force reached its peak with nearly 170,000 workers, but then declined as the recovery from the recession has taken hold, before increasing again from 2018-2019. Even though the region's population has remained relatively steady over the last decade, the labor force lost 4,360 workers since 2009 (Figure 6). Northeast is the planning region in the state that suffered the largest percent decrease in its labor force since 2009. In contrast, the state was steadily gaining workers over the past decade, growing 5.7% (Figure 6). As the economy recovered from the Great Recession, the labor market reached its tightest point in over twenty years.

Figure 6. Annual Labor Force Estimates, 2000-2019



Averaging a net gain of about 1,950 additional labor force participants per year between 1990 and 2000, Northeast Minnesota employers were able to tap into a large and growing pool of talented workers. However, from 2001 to 2019, Northeast Minnesota's labor force ceased expanding, adding only 171 workers so far this century. The region peaked with 169,773 available workers in 2009 but dropped to 165,413 workers in 2019 (Figure 7). In 2019, an increasingly tight labor market and a growing scarcity of workers was recognized as one of Northeast Minnesota's most significant barriers to future economic growth. In the face of these constraints, it has become evident that a more diverse workforce in terms of age, gender, race, ethnicity, disability status, and immigration has been and will continue to be a vital source of the workers that employers need to succeed. As the White, native-born workforce continues to age, younger workers of different races or from different countries will comprise the fastest growing segment of the labor force.

Figure 7. Annual Change in Northeast Minnesota Labor Force, 1990-2019



LABOR FORCE PROJECTIONS

If Northeast Minnesota's population changes at the projected rates shown in Figure 4 above, the region would be expected to see a decline in the labor force over the next decade. Applying current labor force participation rates to future population projections by age group creates labor force projections for the region, which show a steady 5.6% drop in workforce numbers. In addition to the overall decline, the labor force will also see a significant shift over time, with gains in the number of workers aged 65 years and over against huge declines in the number of workers aged 45 to 64 years. The region is also expected to lose youngest workers in the next decade. However, the region is expected to see gains in the number of 25 to 44 year olds. These long-term declines will likely lead to a tight labor market in the future, with employers needing to respond to the changing labor force availability in the region (Table 5).

Table 5. Northeast Minnesota Labor Force Projections

	2020 Labor Force Projection	2030 Labor Force Projection	2020-2030 Change	
			Numeric	Percent
16 to 19 years	8,879	7,850	-1,029	-11.6%
20 to 24 years	19,854	18,958	-896	-4.5%
25 to 44 years	62,412	63,951	+1,539	+2.5%
45 to 54 years	29,114	28,110	-1,004	-3.4%
55 to 64 years	29,694	20,935	-8,758	-29.5%
65 to 74 years	8,863	9,218	+355	+4.0%
75 years & over	1,409	2,163	+754	+53.5%
Total Labor Force	160,224	151,185	-9,040	-5.6%

Source: calculated from Minnesota State Demographic Center population projections and 2014-2018 American Community Survey 5-Year Estimates

EMPLOYMENT CHARACTERISTICS

With just 60.4% of the population over 16 years of age in the labor force, Northeast Minnesota had a much lower labor force participation rate than the state. Each Northeast age group had lower labor force participation rates than those statewide except for those aged 16 to 19 years (Table 6).

The region had lower participation rates than the state for almost every race group; and also had large unemployment rate disparities for workers of color. Unemployment rates for American Indians and Two or More Races were nearly triple the rate for Whites. The region also had 7,719 veterans and 9,929 workers with disabilities in the labor force. Workers with disabilities had much lower participation rates. Unemployment rates were highest for youth, minorities, and workers with disabilities.

Table 6. Northeast Minnesota Employment Characteristics, 2018

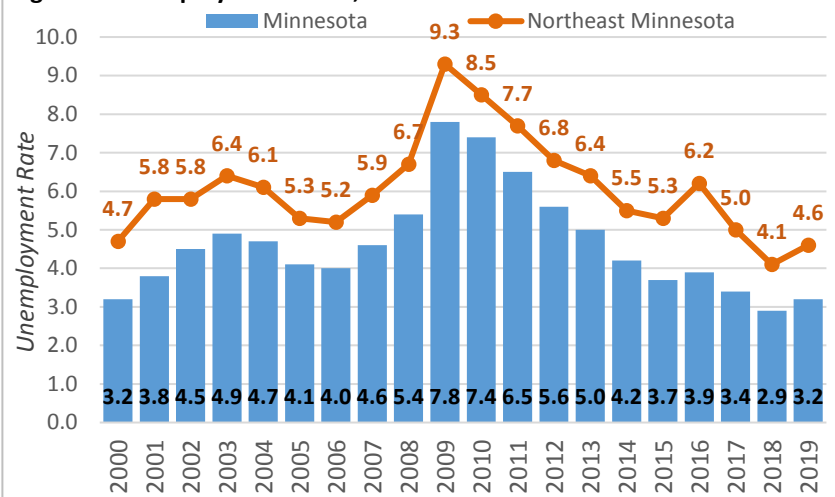
Age Group	Northeast Minnesota			Minnesota	
	Labor Force	Labor Force Partic. Rate	Unemp. Rate	Labor Force Partic. Rate	Unemp. Rate
Total Labor Force	162,659	60.4%	5.1%	69.7%	3.9%
16 to 19 years	9,490	54.5%	12.0%	52.9%	11.7%
20 to 24 years	19,698	81.7%	6.9%	84.4%	6.4%
25 to 44 years	60,422	84.8%	5.0%	88.6%	3.5%
45 to 54 years	33,261	81.9%	4.3%	87.3%	2.8%
55 to 64 years	31,448	61.2%	3.7%	72.6%	3.0%
65 to 74 years	7,173	19.6%	3.0%	27.6%	2.4%
75 years & over	1,207	4.3%	5.1%	6.3%	2.6%
Employment Characteristics by Gender					
Male	85,158	62.9%	5.9%	73.5%	4.3%
Female	77,549	57.9%	3.9%	66.0%	3.4%
Employment Characteristics by Race & Hispanic Origin					
White alone	152,356	60.6%	4.7%	69.5%	3.3%
Black or African American	1,533	46.9%	6.9%	70.7%	9.9%
American Indian & Alaska Native	3,746	58.8%	14.6%	58.5%	12.8%
Asian or Other Pacific Islanders	1,403	59.3%	7.7%	71.3%	4.7%
Some Other Race	431	59.2%	n/a	77.2%	6.2%
Two or More Races	3,215	62.5%	12.2%	73.1%	7.6%
Hispanic or Latino	2,150	63.8%	7.2%	76.3%	6.5%
Employment Characteristics by Veteran Status					
Military Veteran	7,719	68.6%	7.5%	79.2%	4.2%
Employment Characteristics by Disability					
With Any Disability	9,929	43.4%	12.4%	52.5%	9.0%
Employment Characteristics by Educational Attainment					
Population 25 to 64 years	125,152	76.7%	4.3%	84.2%	3.2%
Less than H.S. Diploma	3,991	54.7%	6.7%	65.4%	4.5%
H.S. Diploma or Equivalent	30,177	69.0%	3.0%	78.6%	2.6%
Some College or Assoc. Degree	52,455	77.7%	3.6%	85.2%	3.2%
Bachelor's Degree or Higher	38,475	86.2%	2.4%	89.8%	1.9%

Source: 2014-2018 American Community Survey, 5-Year Estimates

UNEMPLOYMENT RATES

Northeast has consistently reported higher unemployment rates than Minnesota, typically hovering at least 1.0% above the state rate. [Local Area Unemployment Statistics](#) show that the region's unemployment rate reached its peak in 2009 at 9.3 percent, then steadily declined to an annual rate of 5.3% in 2015 but increased to 6.2% in 2016, due in part to mining layoffs. Since then, the unemployment rate dropped to 4.1% and rose to 4.6% in 2019 before the unprecedented climb caused by the coronavirus in early 2020. (Figure 8).

Figure 8. Unemployment Rates, 2000-2019

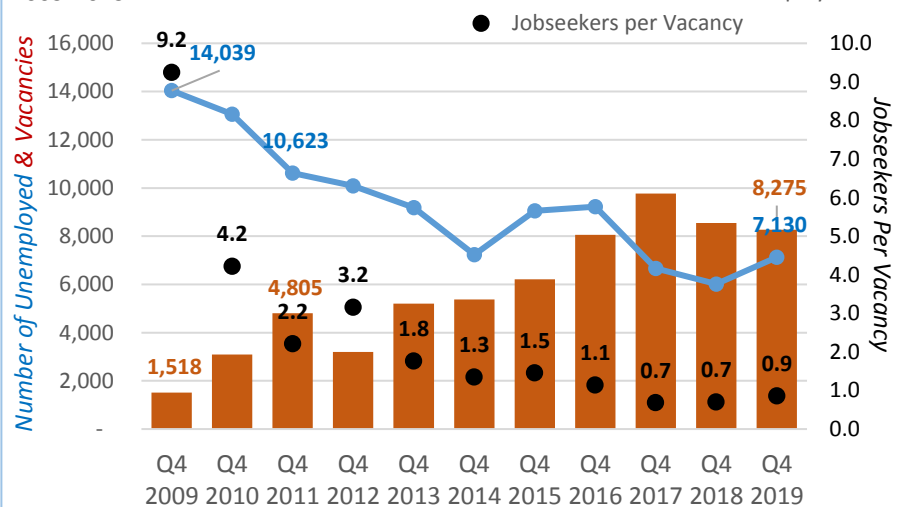


Source: DEED Local Area Unemployment Statistics (LAUS) program

JOBSEEKERS PER VACANCY

Prior to the coronavirus crisis, the number of available workers declined and the region's labor market tightened through the 4th quarter 2019. One clear demonstration of this is the ratio of unemployed jobseekers per vacancy, which in 2019 stood at 0.9-to-1 in Northeast Minnesota. According to recent job vacancy survey results, there were 8,275 openings reported by employers compared to 7,130 unemployed jobseekers in the region. The ratio climbed as high as 9.2 during the recession in 2009 (Figure 9).

Figure 9. Jobseekers Per Vacancy, 2009-2019



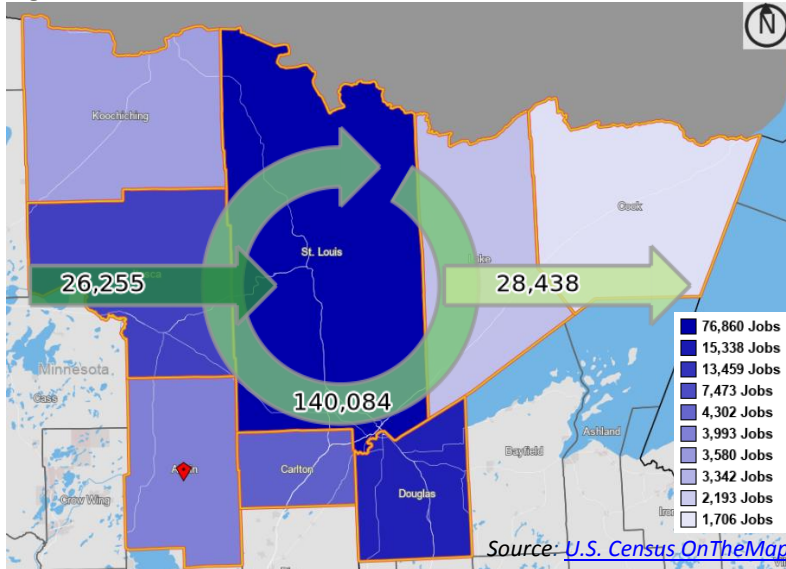
Source: DEED Job Vacancy Survey, LAUS program

COMMUTE SHED AND LABOR SHED

According to commuting data from the [U.S. Census Bureau](#), the vast majority – about 79% – of workers who live in the region also work within the region. However, Northeast Minnesota is a net importer of labor, having slightly more jobs than available workers. In sum, 119,725 workers both lived and worked in the 7-county region, while another 31,101 workers drove into the region for work, compared to 27,627 who live in the region but drove to surrounding counties for work (Table 7 and Figure 10).

Table 7. Northeast Minnesota Inflow/Outflow Job Counts (All Jobs), 2017	2017	
	Count	Share
Employed in the Selection Area	150,826	100.0%
Employed in the Selection Area but Living Outside	31,101	20.6%
Employed and Living in the Selection Area	119,725	79.4%
Living in the Selection Area	147,352	100.0%
Living in the Selection Area but Employed Outside	27,627	18.7%
Living and Employed in the Selection Area	119,725	81.3%

Source: [U.S. Census Bureau, OnTheMap](#)

Figure 10. Northeast Minnesota Labor and Commute Shed, 2017

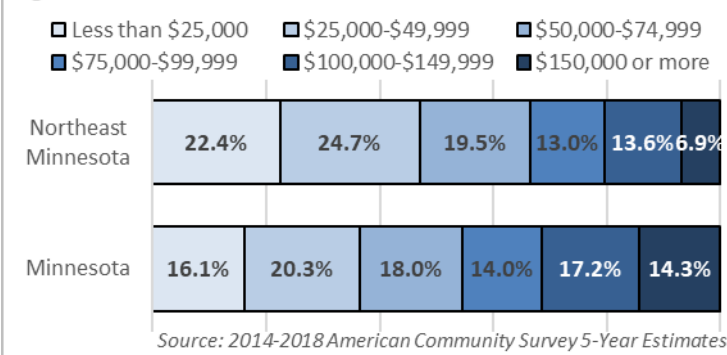
St. Louis County is the largest employment center in the region and the biggest draw for workers, followed by Itasca, Carlton, Koochiching, Aitkin, Lake, and Cook counties. Employers in the region draw workers from Douglas County in Wisconsin as well as Hennepin County in the Twin Cities. The region also sends workers to the Twin Cities, represented by Hennepin and Ramsey County, as well as to Douglas County, Wisconsin (Figure 10). The average commute time for workers the region was 20.7 minutes, compared to 23.5 minutes for workers statewide. More than 58% of workers commuted less than 20 minutes each way, compared to 46% statewide. About 4.5% of workers worked at home,

and 4.2% were able to walk to work. About half (48.2%) of workers left home between 6:00 a.m. and 8:00 a.m.¹

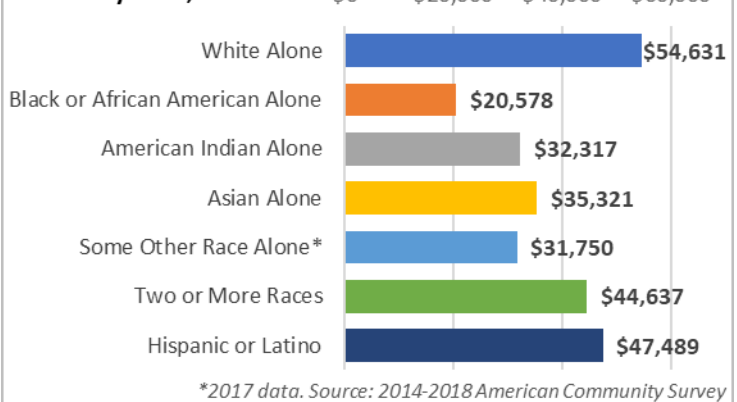
INCOMES, WAGES AND OCCUPATIONS

HOUSEHOLD INCOMES

Household incomes were significantly lower in Northeast Minnesota than the rest of the state. The median household income in the Arrowhead was \$53,531 in 2018, compared to \$68,411 in Minnesota, ranking last of the six planning regions. A little less than half (47.1%) of the households in the region had incomes below \$50,000 in 2017, compared to 36.4% of households statewide. Only 6.9% of households had incomes greater than \$150,000 in the region (Figure 11).

Figure 11. Household Incomes, 2018

Median household incomes varied by race or origin in the region. Black or African American households reported the lowest incomes in Northeast Minnesota, with a median income that was nearly \$35,000 lower than for White households. American Indian, Asian, Two or More Races, and Hispanic or Latino households also reported much lower median incomes. However, sample sizes were small for several of the other race groups, leading to big swings from year to year (Figure 12).

Figure 12. Northeast Minnesota Median Household Income by Race, 2018

¹ 2014-2018 American Community Survey

COST OF LIVING

According to DEED's [Cost of Living tool](#), the basic needs budget for an average Minnesota family (which consists of 2 adults and 1 child, with 1 full-time and 1 part-time worker) was \$56,772 in 2019. The cost of living for a similar family in Northeast Minnesota was \$50,784 – which was the third lowest of the 6 planning regions in the state. The highest monthly costs were for transportation, food, and housing; though the region's housing, childcare, and taxes were significantly lower than the rest of the state. In order to meet the basic needs cost of living for the region, the two workers in the family scenario described would need to earn \$16.28 per hour working a combined 60 hours per week.

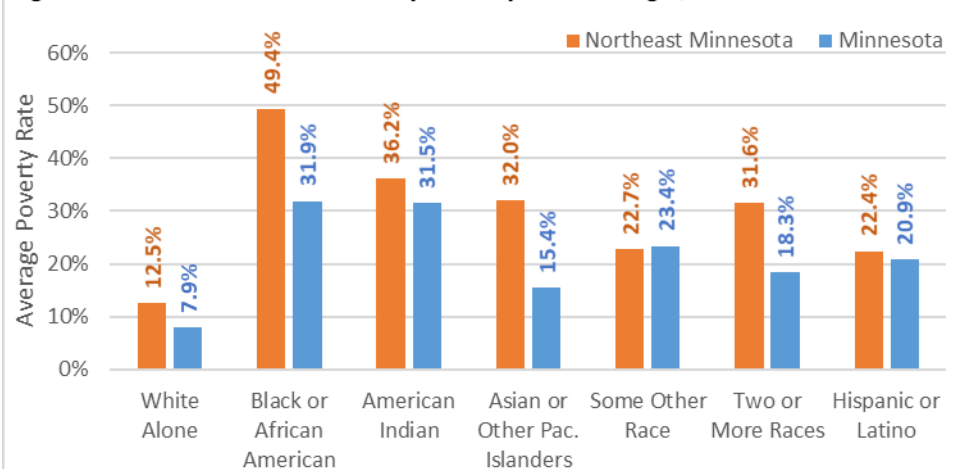
DEED's Cost of Living tool provides different estimates for household compositions including single people, partnered couples, and up to 4 children. For a single person living alone and working full-time, the estimated yearly cost in the Arrowhead would be \$28,860, which would require an hourly wage of \$13.88 to meet the basic needs standard of living (Table 8).

Table 8. Family Yearly Cost, Worker Hourly Wage, and Family Monthly Costs, 2019										
Family Composition	Number of Workers	Yearly Cost of Living	Hourly Wage Required	Monthly Costs						
				Child Care	Food	Health Care	Housing	Trans- portation	Other	Taxes
Northeast Minnesota										
Single, 0 children	1 FT	\$28,860	\$13.88	\$0	\$330	\$166	\$650	\$663	\$275	\$321
Single, 1 child	1 FT	\$44,112	\$21.21	\$612	\$489	\$385	\$854	\$667	\$377	\$292
2 parents, 1 child	1 FT, 1 PT	\$50,784	\$16.28	\$307	\$755	\$659	\$854	\$767	\$451	\$439
2 parents, 2 children	2 FT	\$70,200	\$16.88	\$1,062	\$987	\$668	\$1,100	\$807	\$585	\$641
State of Minnesota										
Single, 0 children	1 FT	\$31,392	\$15.09	\$0	\$336	\$157	\$798	\$653	\$318	\$354
2 parents, 1 child	1 FT, 1 PT	\$56,772	\$18.20	\$516	\$769	\$593	\$1,033	\$755	\$505	\$560
Source: DEED Cost of Living tool										

Source: [DEED Cost of Living tool](#)

Overall, Northeast Minnesota poverty rate was 14.2 percent, which was well above the statewide rate of 10.5 percent. Like incomes, poverty levels varied widely by race and origin. It was estimated that over 49.4% of the region's Black or African American population was below the poverty level in 2018, compared to just 12.5% of the white population. Likewise, poverty levels hovered around 36% for American Indians, 32% for Asians, and 31.6% for people of two or more races. Over 20% of some other race and Hispanic or Latino origin also were below the poverty level in 2018. In almost all cases, the region's poverty rate was higher than the state's poverty rate, except for some other race (Figure 13).

Figure 13. Percent Below the Poverty Level by Race or Origin, 2018



Source: 2014-2018 American Community Survey, 5-Year Estimates

WAGES AND OCCUPATIONS

According to DEED's [Occupational Employment Statistics](#) program, the median hourly wage for all occupations in Northeast Minnesota was \$19.03 in the first quarter of 2019, which was the third lowest wage level of the six planning regions in the state. Northeast's median wage was \$2.46 below the state's median hourly wage, equaling 88.6% of the statewide wage rate, and \$4.27 below the median hourly wage in the Twin Cities metro area, which would amount to nearly \$9,000 per year for a full-time worker (Table 9).

Table 9. Occupational Employment Statistics by Region, 1 st Qtr. 2020	Median Hourly Wage	Estimated Regional Employment
Central Minnesota	\$19.28	278,730
Northeast Minnesota	\$19.03	144,320
Northwest Minnesota	\$18.38	223,440
Southeast Minnesota	\$19.89	242,490
Southwest Minnesota	\$18.38	176,420
Twin Cities Metro Area	\$23.30	1,805,980
State of Minnesota	\$21.49	2,880,650

Source: [DEED Occupational Employment Statistics](#)

Based on location quotient, Northeast Minnesota stands out for having higher concentrations of community and social service, forestry, construction & extraction, protective service, healthcare, installation, maintenance, and food preparation workers than the state. The largest occupations in the region include office and administrative support, food preparation and serving, sales and related, and healthcare practitioner positions.

Not surprisingly, the lowest-paying jobs are concentrated in food prep and serving, building, grounds cleaning and maintenance, sales and related, personal care and service, and healthcare support, which tend to have lower educational and training requirements. Most of these low-paying jobs pay much lower in Northeast compared to the state (Table 10).

Table 10. Northeast Minnesota Occupational Employment Statistics, 2020

Occupational Group	Northeast Minnesota				State of Minnesota		
	Median Hourly Wage	Estimated Regional Employment	Share of Total Employment	Location Quotient	Median Hourly Wage	Estimated Statewide Employment	Share of Total Employment
Total, All Occupations	\$19.03	144,320	100.0%	1.0	\$21.49	2,880,650	100.0%
Office & Administrative Support	\$18.02	17,750	12.3%	1.0	\$20.03	363,800	12.6%
Food Preparation & Serving Related	\$11.95	15,270	10.6%	1.2	\$12.43	244,300	8.5%
Sales & Related	\$12.77	13,640	9.5%	1.0	\$15.37	277,000	9.6%
Healthcare Practitioners & Technical	\$31.08	11,950	8.3%	1.3	\$36.07	190,800	6.6%
Healthcare Support	\$14.26	11,020	7.6%	1.3	\$14.81	163,160	5.7%
Transportation & Material Moving	\$17.27	8,840	6.1%	0.8	\$18.06	216,890	7.5%
Education, Training & Library	\$24.48	8,160	5.7%	1.0	\$24.38	165,310	5.7%
Production	\$20.37	7,250	5.0%	0.7	\$19.03	212,650	7.4%
Construction & Extraction	\$28.03	7,180	5.0%	1.4	\$28.97	104,900	3.6%
Management	\$41.52	6,680	4.6%	0.8	\$52.70	170,650	5.9%
Installation, Maintenance & Repair	\$25.29	6,500	4.5%	1.3	\$24.31	100,060	3.5%
Building, Grounds Cleaning & Maint.	\$14.63	5,260	3.6%	1.3	\$15.23	83,860	2.9%
Business & Financial Operations	\$29.24	5,190	3.6%	0.6	\$33.87	171,550	6.0%
Community & Social Service	\$21.01	4,970	3.4%	1.7	\$23.34	57,200	2.0%
Personal Care & Service	\$14.42	3,520	2.4%	1.0	\$13.65	70,290	2.4%
Protective Service	\$24.96	3,080	2.1%	1.4	\$22.45	45,030	1.6%
Architecture & Engineering	\$35.05	2,310	1.6%	0.8	\$38.00	55,520	1.9%
Computer & Mathematical	\$33.91	1,910	1.3%	0.4	\$42.71	97,960	3.4%
Life, Physical & Social Science	\$31.36	1,510	1.0%	1.1	\$34.35	27,070	0.9%
Arts, Design, Entertainment & Media	\$18.49	1,500	1.0%	0.8	\$24.52	38,540	1.3%
Legal	\$34.59	500	0.3%	0.5	\$37.35	20,050	0.7%
Farming, Fishing & Forestry	\$21.55	320	0.2%	1.6	\$17.72	4,060	0.1%

Source: [DEED Occupational Employment Statistics, Qtr. 1 2020](#)

The highest paying jobs in Northeast Minnesota are found in management, architecture and engineering, legal, computer and mathematical, life, physical, and social science occupations, healthcare practitioners, and business and financial operations, which all need higher levels of education and experience, including many that require postsecondary training. The pay gaps between the region and state are much bigger in these occupations often exceeding \$5.00 per hour – or \$10,000 per year for a full-time worker.

JOB VACANCY SURVEY

Employers in Northeast Minnesota reported 8,275 job vacancies in the fourth quarter of 2019, the second highest number posted since 2001. Demand for workers was high across all industries, with the largest number of openings in retail trade (2,371 job vacancies), health care and social assistance (2,126), accommodation and food services (1,207), administrative and waste services (521), educational services (429), and professional and technical services (334). More than three quarters of regional vacancies were in these industries.

Rising demand has led to rising wages, with the median hourly wage offer from the current survey jumping to \$14.11 per hour, which was the highest for a 4th quarter result. Wage offers ranged from just under \$12 per hour for sales, personal care, and food preparation and serving occupations to around \$25-\$30 per hour for, healthcare practitioners, management occupations, architect and engineers, life, physical and social science, and computer and mathematical occupations.

The largest number of vacancies were in sales, healthcare, food preparation and serving, and office and administrative occupations. More than half of regional vacancies were in these occupational groups. Overall, 52% of the openings were part-time, 30% required post-secondary education, and 34% required 1 or more years of experience (Table 11). In sum, educational requirements in the region had been stable or declining over the past 5 years, while work experience requirements were relatively stable.

Table 11. Northeast Minnesota Job Vacancy Survey Results, Qtr. 4 2019

Northeast Minnesota	Number of Total Vacancies	Percent Part-time	Percent Temporary or Seasonal	Requiring Post-Secondary Education	Requiring 1 or More Years of Work Exp.	Requiring Certificate or License	Median Hourly Wage Offer	Job Vacancy Rate
Total, All Occupations	8,275	52%	10%	30%	34%	46%	\$14.11	5.8
Management	136	0%	0%	60%	98%	22%	\$25.28	1.9
Business & Financial Operations	75	17%	1%	50%	62%	24%	\$19.74	1.5
Computer & Mathematical	153	51%	0%	39%	96%	8%	\$31.38	8.4
Architecture & Engineering	151	0%	0%	99%	99%	81%	\$26.45	6.9
Life, Physical & Social Sciences	23	9%	0%	95%	81%	77%	\$28.17	1.4
Community & Social Service	303	17%	1%	22%	57%	67%	\$14.19	5.9
Education, Training & Library	297	55%	52%	87%	86%	90%	\$17.05	3.6
Arts, Design, Entertainment & Media	74	51%	15%	14%	55%	19%	\$18.97	5.8
Healthcare Practitioners & Technical	1,225	63%	2%	92%	35%	99%	\$24.50	10.6
Healthcare Support	347	58%	1%	43%	7%	86%	\$14.25	5.3
Protective Service	59	49%	12%	19%	27%	77%	\$14.13	2.0
Food Preparation & Serving Related	1,069	67%	4%	1%	20%	13%	\$11.66	7.1
Building, Grounds Cleaning & Maint.	513	85%	10%	0%	3%	3%	\$14.91	9.5
Personal Care & Service	618	61%	15%	2%	6%	50%	\$11.81	8.0
Sales & Related	1,383	39%	15%	13%	21%	5%	\$11.90	10.1
Office & Administrative Support	716	59%	16%	18%	38%	7%	\$13.33	3.5
Construction & Extraction	255	0%	0%	7%	100%	92%	\$21.86	4.1
Installation, Maintenance & Repair	60	31%	1%	42%	58%	38%	\$18.96	0.9
Production	71	6%	0%	13%	36%	10%	\$16.64	1.0
Transportation & Material Moving	700	64%	18%	3%	32%	97%	\$12.12	9.7
Internships	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A

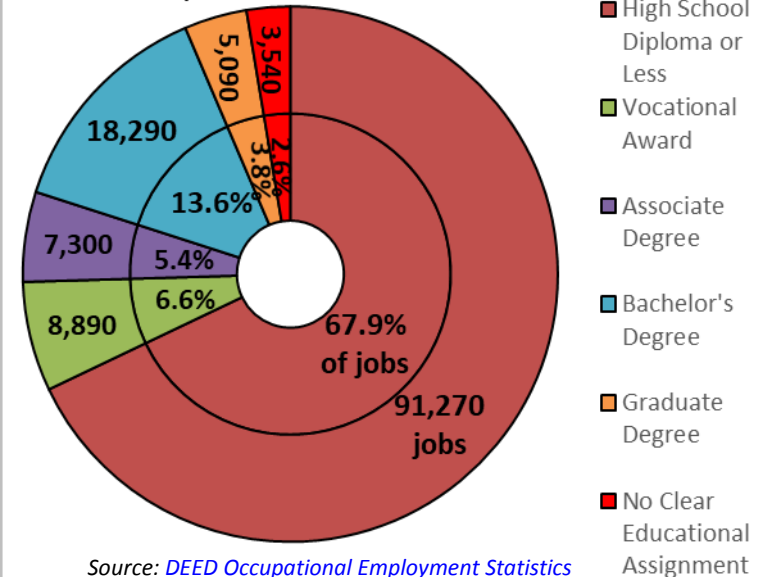
Source: DEED Job Vacancy Survey, Qtr. 4 2019

EDUCATIONAL REQUIREMENTS

Reflecting the recent job vacancy data, DEED's Occupational Employment Statistics program shows that slightly less than one-third of current jobs held in the region require post-secondary education to enter. The other two-thirds require no more than a high school diploma, and sometimes less. However, some amount of on-the-job training is often needed (Figure 14).

Certain careers – such as dentists, lawyers, and teachers – require a college education, while other jobs – including cost estimators, sales representatives, and correctional officers – do not. College is an excellent way to move up career ladders and open windows of opportunity to fields that would otherwise be closed, such as nursing or engineering. Many of these occupations offer high wages and are in high demand in the marketplace. While education is typically a worthwhile investment, college can be expensive – with average annual expenses ranging between \$14,500 and more than \$50,000 per year in Minnesota. For those who go to college, choice of major matters – different programs lead to different jobs that earn different amounts of money.

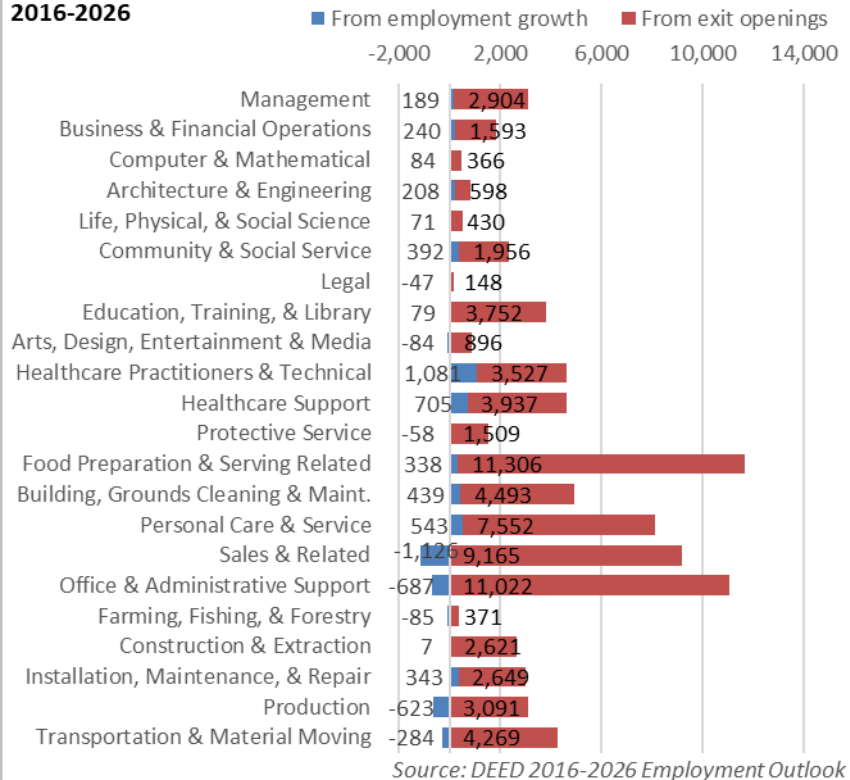
Figure 14. Northeast Minnesota Share of Jobs by Educational Requirements, 2019



EMPLOYMENT PROJECTIONS

Overall, the Northeast planning area is projected to grow 1.1% from 2016 to 2026, a gain of 1,725 new jobs. In addition, the region is also expected to need 179,072 replacement openings to fill jobs left vacant by retirements and other career changers. Healthcare practitioners and support, personal care and service, building grounds cleaning and maintenance, community and social service, installation, maintenance and repair and food preparation and serving related occupations are expected to see the most new growth. Production, office and administration support, and sales occupations are expected to decline but every occupational group will show some future demand through replacement openings (Figure 15).

Figure 15. Northeast Minnesota Employment Projections, 2016-2026



OCCUPATIONS IN DEMAND

According to DEED's [Occupations in Demand](#) tool, there are over 450 occupations in demand (OID) in Northeast Minnesota, and over 270 occupations are showing relatively high demand. Training and education requirements of these occupations range from short-term on-the-job training to postsecondary education and advanced degrees. Most OID require a high school diploma or less, and less than one-third require a bachelor's degree or higher. While OID exist in every sector, the region's major industries are well represented as many of the jobs are concentrated in health care, accommodation and food service, transportation, and other related industries (Table 12).

Table 12. 2019 Occupations in Demand by Education Level, Northeast Minnesota			
Less than High School	High School or Equivalent	Some College or Assoc. Degree	Bachelor's Degree or Higher
Personal Care Aides (\$26,458)	Social & Human Service Assistants (\$34,786)	Registered Nurses (\$66,583)	Elementary School Teachers (\$72,265)
Maids & Housekeeping Cleaners (\$28,945)	Heavy & Tractor-Trailer Truck Drivers (\$50,180)	Nursing Assistants (\$32,440)	Accountants & Auditors (\$63,413)
Retail Salespersons (\$25,240)	First-Line Supervisors of Food Prep & Serv. Workers (\$31,815)	Licensed Practical & Licensed Vocational Nurses (\$45,331)	Secondary School Teachers (\$57,502)
Combined Food Prep. & Serving (\$24,025)	First-Line Supervisors of Retail Sales Workers (\$38,482)	Machinists (\$50,926)	Nurse Practitioners (\$117,194)
Cashiers (\$24,098)	Office Clerks, General (\$34,738)	Hairdressers, Hairstylists, & Cosmetologists (\$26,668)	Medical & Health Services Manager (\$93,410)
Cooks, Restaurants (\$29,040)	Teacher Assistants (\$31,632)	Automotive Service Technicians & Mechanics (\$45,930)	Market Research Analysts & Marketing Spec. (\$53,625)
Janitors & Cleaners (\$31,307)	Maintenance & Repair Workers, General (\$42,446)	Emergency Medical Technicians & Paramedics (\$37,294)	Child, Family, & School Social Workers (\$53,625)
Waiters & Waitresses (\$21,867)	Secretaries & Administrative Assistants (\$40,689)	Industrial Machinery Mechanics (\$60,061)	Family & General Practitioners (\$211,040)
Stock Clerks & Order Fillers (\$25,761)	Pharmacy Technicians (\$36,308)	Radiologic Technologists (\$65,455)	Internists, General (N/A)
Home Health Aides (\$27,598)	Light Truck or Delivery Service Drivers (\$36,324)	Electrical & Electronics Engineering Tech. (\$69,548)	Physical Therapists (\$84,748)

Source: [DEED Occupations in Demand](#)

ECONOMY

INDUSTRY EMPLOYMENT

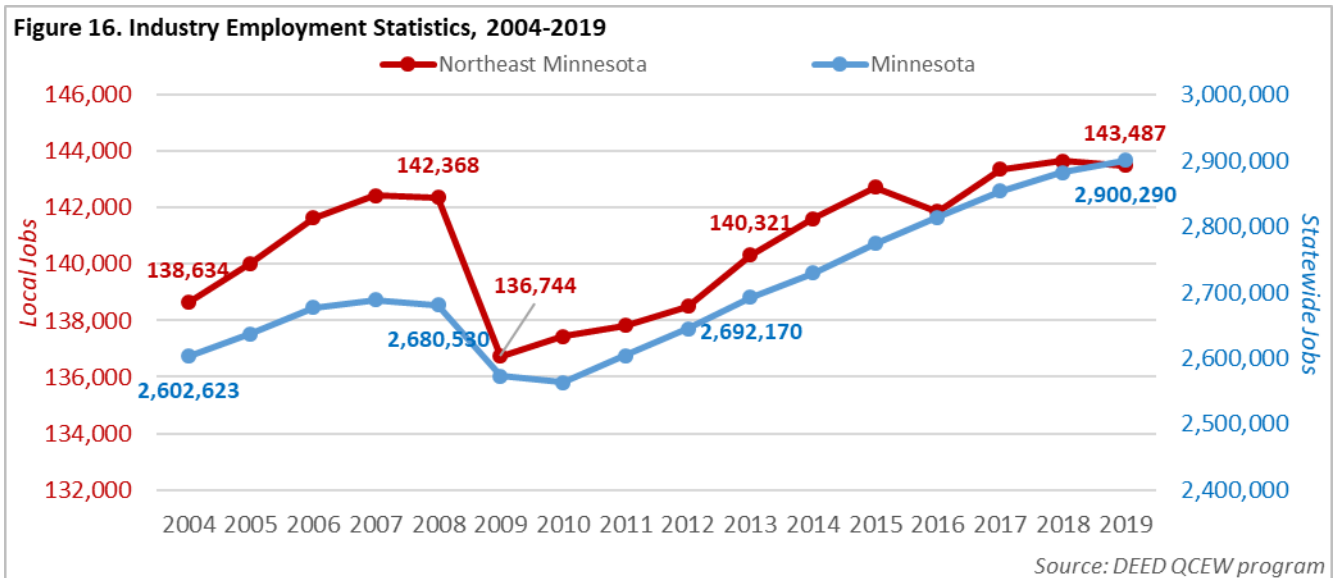
According to DEED's [Quarterly Census of Employment & Wages \(QCEW\)](#) program, Northeast Minnesota was home to 8,850 business establishments providing 143,487 covered jobs through 2019, with a total payroll of nearly \$6.7 billion. That was about 5.0% of total employment in the state of Minnesota, and the smallest of the six planning regions. Average annual wages were \$46,663 in the region, which was about \$13,000 lower than the average annual wage statewide (Table 13).

Table 13. Northeast Minnesota Industry Employment, 2019				Average Annual Wage	2014-2019		2018-2019	
Geography	Number of Firms	Number of Jobs	Total Payroll		Change in Jobs	Percent Change	Change in Jobs	Percent Change
Northeast Minnesota	8,850	143,487	\$6,695,496	\$46,663	+1,877	+1.3%	-166	-0.1%
Aitkin Co.	451	4,134	\$152,309	\$36,843	+399	+10.7%	+43	+1.1%
Carlton Co.	752	13,181	\$600,157	\$45,532	-489	-3.6%	-187	-1.4%
Cook Co.	314	2,881	\$94,855	\$32,924	+91	+3.3%	+50	+1.8%
Itasca Co.	1,241	16,222	\$690,856	\$42,588	+228	+1.4%	+16	+0.1%
Koochiching Co.	416	4,521	\$206,390	\$45,651	-245	-5.1%	+16	+0.4%
Lake Co.	332	4,206	\$185,300	\$44,056	-99	-2.3%	+20	+0.5%
St. Louis Co.	5,345	98,341	\$4,765,629	\$48,460	+1,992	+2.1%	-123	-0.1%
State of Minnesota	178,242	2,900,290	\$172,936,995	\$59,627	+170,677	+6.3%	+18,383	+0.6%

Source: [DEED Quarterly Census of Employment & Wages \(QCEW\)](#)

St. Louis County is the largest employment center in the region with 98,341 jobs at 5,345 firms; followed by Itasca County and Carlton County with 16,222 and 13,181 jobs, respectively. Four of the 7 counties in the region added jobs since 2014, led by St. Louis, which gained 1,992 jobs. Aitkin and Cook Counties had faster growth rates, while Koochiching County had lost five percent of its employment with a loss of 245 jobs in the past 5 years (see Table 13).

Northeast Minnesota has seen employment ups and downs over the past decade, but ended 2019 with 1,119 more jobs than it had in 2008. Though it lost jobs during the recession from 2008 to 2010, it had finally regained all those jobs by 2015, then suffered a decrease of 858 jobs in 2016. However, it rebounded into 2018 before a slight loss of 166 jobs in 2019. In sum, the region lost 5,624 jobs due to the recession but has gained 6,743 jobs since 2009. The Arrowhead has recovered more slowly than the state, which gained jobs at a 6.3% clip from 2014 to 2019, compared to a 1.3% increase in the region (Figure 16).



With 34,606 jobs at 961 firms, health care and social assistance is the largest employing industry in the Northeast region, accounting for 24.1% of total jobs in the region. That is nearly 7 percentage points higher than the state's concentration of employment in the health care industry. The amount of jobs in this industry has increased, with 1,833 jobs added since 2014, including 147 jobs in the previous year. At \$51,700 in 2019, average annual wages were more than \$5,000 higher in health care than all industries.

The next largest industries were retail trade and accommodation and food services as these two industries made up 22.5% of all the jobs in the region. However, the average annual wages were low in these industries, with retail trade at \$27,269 and accommodation and food services at \$17,199.

Government employment in educational services and public administration comprise the fourth and fifth largest industries in the region, accounting for 16.1% of total employment. Since 2014, public administration added over 500 jobs, but educational services grew more slowly, with only 44 new jobs. Perhaps the most well-known industry in the region is mining, which offered 4,217 jobs at 31 firms. The mining industry has rebounded in employment in the last three years but still has 376 fewer jobs than in 2014. Transportation and warehousing, other services, manufacturing, and construction industries all saw solid gains from 2014 to 2019 as well, combining to add 1,540 jobs in the region. In sum, 11 of the 20 main industries in the region added jobs since 2014 while half of the 20 industries gained jobs in the past year, when the region's employment declined 0.1% overall (Table 14).

Northeast Minnesota NAICS Industry Title	2019 Annual Data				2014-2019		2018-2019	
	Number of Firms	Number of Jobs	Total Payroll (\$1,000s)	Avg. Annual Wage	Change in Jobs	Percent Change	Change in Jobs	Percent Change
Total, All Industries	8,850	143,487	\$6,695,496	\$46,663	+1,877	+1.3%	-166	-0.1%
Health Care & Social Assistance	961	34,606	\$1,789,123	\$51,700	+1,833	+5.6%	+147	+0.4%
Retail Trade	1,330	17,062	\$465,260	\$27,269	-567	-3.2%	-365	-2.1%
Accommodation & Food Services	957	15,193	\$261,298	\$17,199	+792	+5.5%	+37	+0.2%
Educational Services	261	11,876	\$548,696	\$46,202	+44	+0.4%	-229	-1.9%
Public Administration	357	11,156	\$598,025	\$53,606	+507	+4.8%	+68	+0.6%
Manufacturing	344	8,899	\$547,961	\$61,576	+377	+4.4%	+169	+1.9%
Construction	981	6,922	\$440,424	\$63,627	+255	+3.8%	+258	+3.9%
Other Services	840	5,142	\$148,155	\$28,813	+377	+7.9%	-54	-1.0%
Finance & Insurance	424	4,323	\$254,600	\$58,894	-559	-11.5%	-174	-3.9%
Professional & Technical Services	563	4,306	\$280,234	\$65,080	+128	+3.1%	+76	+1.8%
Mining	31	4,217	\$411,772	\$97,646	-376	-8.2%	+31	+0.7%
Transportation & Warehousing	346	4,217	\$226,366	\$53,679	+531	+14.4%	+237	+6.0%
Arts, Entertainment, & Recreation	248	3,772	\$92,181	\$24,438	+79	+2.1%	+21	+0.6%
Admin. Support & Waste Mgmt. Svcs.	316	3,424	\$103,985	\$30,370	-676	-16.5%	-90	-2.6%
Wholesale Trade	257	2,978	\$184,215	\$61,859	-140	-4.5%	-47	-1.6%
Utilities	52	1,465	\$151,293	\$103,272	-289	-16.5%	-95	-6.1%
Information	130	1,310	\$62,198	\$47,479	-341	-20.7%	-100	-7.1%
Real Estate & Rental & Leasing	286	1,284	\$41,612	\$32,408	+44	+3.5%	-43	-3.2%
Management of Companies	39	754	\$64,739	\$85,861	-109	-12.6%	+16	+2.2%
Agriculture, Forestry, Fish & Hunt	131	579	\$23,358	\$40,341	-32	-5.2%	-25	-4.1%

Source: DEED Quarterly Census of Employment & Wages (QCEW) program

EMPLOYMENT DEMOGRAPHICS

According to DEED's Quarterly Employment Demographics (QED) program, the workforce in the region was aging over the past 10 years. Nearly one-quarter (23.4%) of workers in the region were 55 years or older, compared to 21.7% statewide and just 18.6% in the region one decade earlier. In contrast, the percentage of teenaged workers fell (Table 15).

As noted above, wages climbed across the board for all workers due to rising demand and a tight labor market. While wages were still lowest for the youngest and oldest workers who tend to fill lower-skilled, less-than-fulltime jobs in industries like retail trade and accommodation and food services, these two age groups enjoyed the fastest percentage increase in wages from 2009 to 2019. Wages were highest for workers between 45 and 64 years of age, and males continued to work more hours than females. The gender pay gap narrowed slightly as the female median wage increased from 75% to 79% of the male median wage.

Northeast Minnesota	Percentage of Workers		Percent of Workers, Minnesota		Median Hourly Wage		Median Hours Worked (Per Qtr.)	
	2009	2019	2009	2019	2009	2019	2009	2019
Total, all ages	100.0%	100.0%	100.0%	100.0%	\$14.81	\$18.74	400	393
19 years & under	6.9%	6.8%	6.5%	6.6%	\$7.50	\$10.87	127	99
20 to 24 years	11.9%	11.3%	11.1%	10.4%	\$9.99	\$13.42	240	210
25 to 44 years	37.9%	40.0%	42.7%	42.8%	\$16.10	\$21.04	440	455
45 to 54 years	24.7%	18.5%	23.0%	18.6%	\$18.88	\$24.81	479	480
55 to 64 years	15.5%	18.1%	13.5%	16.7%	\$18.60	\$22.51	452	472
65 years & over	3.1%	5.3%	3.3%	5.0%	\$11.44	\$15.63	194	210
Male	48.9%	49.5%	48.5%	49.3%	\$17.48	\$21.86	447	458
Female	51.1%	50.5%	51.5%	50.7%	\$13.12	\$17.32	362	360

* 2019 Qtr. 2. Source: [DEED Quarterly Employment Demographics](#)

EMPLOYMENT DIVERSITY

While people of different races make up 7.8% of the overall population, they held 8.8% of total jobs in Northeast Minnesota, according to data from the Quarterly Workforce Indicators program. In 2019, that equaled 13,317 workers of color, compared to 138,753 White workers. However, workers of other races held just 4.5% of total jobs in the region in 1999, meaning their employment presence nearly doubled from 1999 to 2019 (see Figure 2).

Workers of color have filled an additional 7,610 jobs in the region since 1999, accounting for 38.2% of new jobs added. With 3,456 jobs, American Indians were the largest race group in the regional economy, after gaining 1,156 jobs since 2000. The next largest group was people of Two or More Races, who held 3,044 jobs in 2019, more than doubling since 2000. After increasing 212% from 2000 to 2019, Black or African Americans held 2,795 jobs in the region. Finally, Asians held 1,898 jobs in 2019, a 138% rise since 2000 (see Figure 3).

Most sectors in Northeast Minnesota are non-diverse, but there are a couple industries that rely more heavily on workers of other races. For example, 21.0% of the Arts, Entertainment, and Recreation workforce is of color, within which 12.3% are American Indian and 3.7% are of Two or More Races. Likewise, 14.2% of the Transportation and Warehousing and 13.5% of the Accommodation and Food Services industries were workers of color. The largest number of workers of color were employed in Health Care and Social Assistance (2,811), Accommodation and Food Services (1,971), and Public Administration (1,270) (see Figure 4).

Figure 17. Employment by Race and Ethnicity, All Industries, Northeast Minnesota, '99-'19

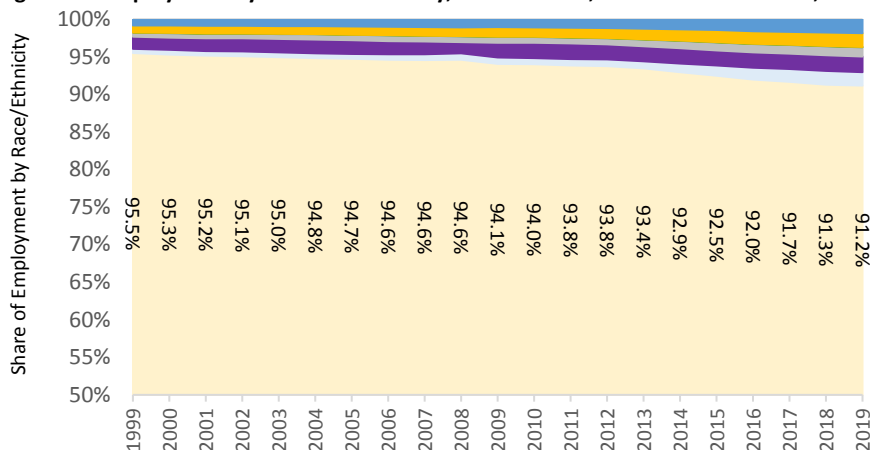


Figure 18. Workers of Color Employment, All Industries, Northeast Minnesota, '99-'19

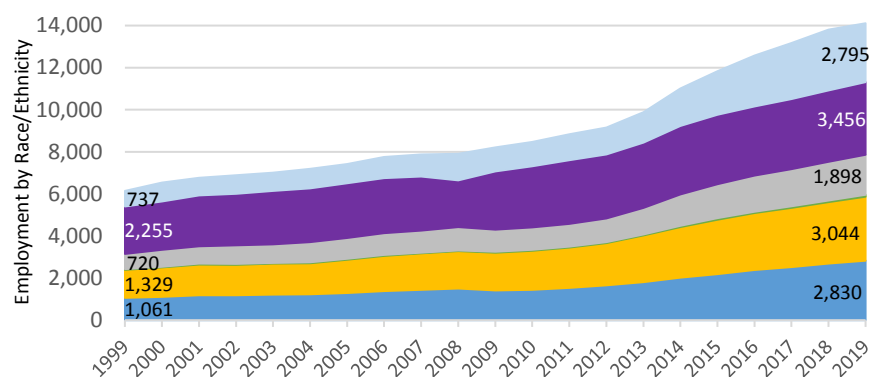
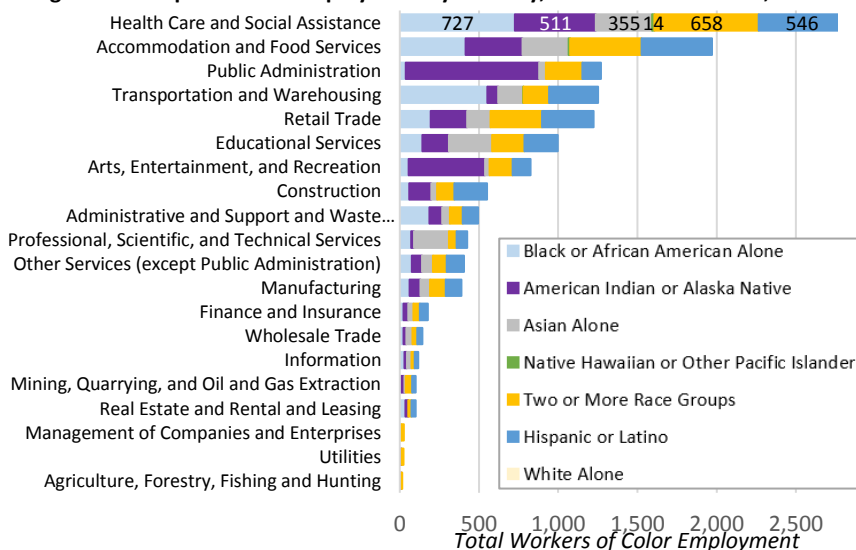


Figure 19. People of Color Employment by Industry, Northeast Minnesota, 2019



Source: DEED, Census LEHD Quarterly Workforce Indicators

INDUSTRY PROJECTIONS

The Northeast Minnesota planning region is projected to grow 1.1% from 2016 to 2026, a gain of only 1,725 new jobs. The largest and third-fastest growing industry is expected to be health care and social assistance, which may account for more than double of the total projected growth in the region by 2026. The region is also expected to see significant employment growth in accommodation and food services, other services, finance and insurance, professional and technical services, and mining. In contrast, retail trade is expected to cut 1,750 jobs in the next decade, and manufacturing will also see cuts (Table 16).

Industry	Estimated Employment 2016	Projected Employment 2026	Percent Change 2016-2026	Numeric Change 2016-2026
Total, All Industries	160,337	162,062	+1.1%	+1,725
Health Care & Social Assistance	32,797	36,322	+10.7%	+3,525
Retail Trade	17,625	15,875	-9.9%	-1,750
Public Administration	14,724	14,358	-2.5%	-366
Accommodation & Food Services	14,654	15,094	+3.0%	+440
Educational Services	12,988	13,044	+0.4%	+56
Manufacturing	8,473	7,725	-8.8%	-748
Other Services, Ex. Public Admin	6,845	7,093	+3.6%	+248
Construction	6,380	6,068	-4.9%	-312
Finance & Insurance	4,954	5,069	+2.3%	+115
Transportation & Warehousing	4,727	4,528	-4.2%	-199
Professional & Technical Services	4,365	4,944	+13.3%	+579
Mining	3,610	4,044	+12.0%	+434
Administrative & Waste Services	3,602	3,776	+4.8%	+174
Arts, Entertainment, & Recreation	3,522	3,680	+4.5%	+158
Wholesale Trade	3,278	2,931	-10.6%	-347
Agriculture, Forestry, Fish & Hunt	1,875	1,694	-9.7%	-181
Information	1,589	1,343	-15.5%	-246
Utilities	1,489	1,440	-3.3%	-49
Real Estate & Rental & Leasing	1,332	1,435	+7.7%	+103
Management of Companies	828	821	-0.8%	-7

Source: DEED 2016-2026 Employment Outlook

NONEMPLOYER ESTABLISHMENTS

Northeast Minnesota was home to 20,466 self-employed businesses or “nonemployers” in 2018, which are defined by the U.S. Census Bureau as “businesses without paid employees that are subject to federal income tax, originating from tax return information of the Internal Revenue Service (IRS).” Unlike covered employment, Northeast Minnesota saw a steady decline in nonemployers over the past decade, responding to economic changes. In sum, the region lost 1,709 nonemployers from 2007 to 2018, a -7.7% decrease. These non-employers generated sales receipts of over \$812 million in 2018 (Table 17).

	2018		2007-2018	
	Number of Firms	Receipts (\$1,000s)	Change in Firms	Percent Change
Northeast MN	20,466	\$812,846	-1,709	-7.7%
Aitkin Co.	1,132	\$50,237	-116	-9.3%
Carlton Co.	1,941	\$75,844	-262	-11.9%
Cook Co.	753	\$29,733	-60	-7.4%
Itasca Co.	2,921	\$113,667	-620	-17.5%
Koochiching Co.	841	\$30,614	-70	-7.7%
Lake Co.	864	\$32,975	-37	-4.1%
St. Louis Co.	12,014	\$479,776	-544	-4.3%
Minnesota	416,487	\$19,994,802	29,503	7.6%

Source: U.S. Census, Nonemployer Statistics program

CENSUS OF AGRICULTURE

Unlike other parts of Greater Minnesota, agriculture is not a key industry in Northeast Minnesota, but there are 2,362 farms producing just over \$55 million in the market value of products sold in 2017 according to the U.S. Department of Agriculture. All of the counties in the planning region rank near the bottom in Minnesota in regards to the market value of products sold (Table 18).

Upon request, this information can be made available in alternate formats for people with disabilities by contacting Carson Gorecki at (218) 302-8413 or at carson.gorecki@state.mn.us.

	Number of Farms	Market Value of Products Sold	State Rank
Northeast MN	2,362	\$55,215,000	6
Aitkin Co.	462	\$12,461,000	81
Carlton Co.	529	\$10,985,000	82
Cook Co.	32	\$381,000	86
Itasca Co.	337	\$8,004,000	83
Koochiching Co.	181	\$6,887,000	84
Lake Co.	42	\$358,000	87
St. Louis Co.	779	\$16,139,000	80
Minnesota	68,822	\$18,395,390,000	

Source: 2017 Census of Agriculture